

FISCAL IMPACT STATEMENT ON BILL NO. **S.223**

(Doc. No. 001che.dag.doc)

TO:	The Honorable Hugh Leatherman, Chairman, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	January 26, 2007	SBD:	2007044

AUTHOR:	Senator Elliott	PRIMARY CODE CITE:	59-103-35
SUBJECT:	Public Colleges - Funding		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

This Bill would amend section 59-103-35 of the Code of Laws to require that State funding for each institution within a sector cannot be at a level that, when computed, would be equivalent to less than an amount expressed as the average of the prior fiscal year's combined average percentage of appropriations to the Mission Resource Requirements (MRR) for that sector. Additionally, institutions whose prior year funding percentage is equal to, or higher than, the combined average of the appropriations to the MRR for their sector, must receive at least the same level of state funding in the current year as it did in the prior year.

EXPLANATION OF IMPACT:

The Commission on Higher Education (CHE) estimated the costs of this Bill to be \$34,569,619. This estimate was calculated by using the 2006-07 recurring appropriations for the public higher education institutions and the 2006-07 MRR. Estimate assumes funding for AHEC would not be affected by this Bill since it is not in a sector with any other higher education entity. The cost to fund this Bill would vary each year as sector percentages of appropriations to MRR change.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

See attached spreadsheet for further explanation of impact.

Approved by:



Don Addy
Assistant Director, Office of State Budget